SPECIAL ANALYSIS

BOLIVIA: The Regime's Prospects

[redacted]

The government of General Garcia Meza is maintaining a tenuous hold on power. Several coup plotters have been reassigned to meaningless positions, and key unit commanders have been bribed to ensure their continued, albeit temporary, loyalty. Garcia Meza is delaying urgently needed economic austerity measures, believing that he will get diplomatic recognition from the incoming US administration that he hopes will lead to a resumption of vitally needed international aid. Even if Garcia Meza were ousted, the military would continue to govern for at least the next year or two. [redacted]

Garcia Meza's most pressing problem since he seized power on 17 July has been the threat to his regime from within the military. The officers plotting to oust him are motivated by personal ambition and greed. They also are concerned that the continued failure of the government to secure international recognition--in large part because of its unsavory connections with Bolivian narcotics dealers--is seriously tarnishing the military's reputation. [redacted]

Until recently, an uneasy alliance of conservative and moderate officers was the most obvious group of plotters. This clique planned to use the conservatives' influence to obtain troop support, and they hoped the moderates' professed commitment to a professional military institution above politics would win international approval. [redacted]

Garcia Meza learned of the plan and broke up the group by transferring the officers involved. The key hardline plotter, Colonel Natusch Busch--leader of an abortive coup in November 1979--remains free, probably because he is popular in the Army, and Garcia Meza does not dare challenge him. Natusch continues to plot and apparently is convinced that conditions will eventually permit a successful takeover. [redacted]

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Approved for Release FEB 2000

Natusch is not the only threat. [redacted]

Garcia Meza has responded to these threats by buying the loyalty of key unit commanders. For example, two high-ranking officers in the La Paz area reportedly received bribes of $200,000 and $100,000 respectively, and massive pay raises have been promised to the armed forces. Although this strategy has worked so far, it is only a temporary solution. [redacted]

Economic Problems

The current economic deterioration includes a severe balance-of-payments problem, slowing economic growth, surging inflation, and a lack of foreign reserves, and it will not be remedied quickly or easily. Some cabinet members have urged that subsidies on food and fuels be ended, but they have been opposed by military unit commanders who argue that their troops would have to use force to control civilian protests. [redacted]

Bolivia's international isolation precludes getting much financial aid from abroad. To attract foreign financial assistance and meet foreign bankers' requirements for debt rescheduling, Bolivia would have to institute tough, unpopular austerity measures, and a new IMF agreement probably would be required. [redacted]

Meanwhile, the government is surviving financially on a day-to-day basis. Most ministries appear to be having problems even meeting monthly payrolls--the retirement funds of the national police and the military social security corporation reportedly were tapped to pay salaries last month. [redacted]

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Prospects

Despite these problems, Garcia Meza is likely to remain in power at least through the early months of 1981. The majority of military officers believe the next administration in Washington will deemphasize human rights and back any government deemed staunchly anti-Communist. Garcia Meza and his aides thus feel if they can stay in control through January, Washington will grant them the diplomatic recognition and economic assistance they need to silence their critics and consolidate their hold on power. [redacted]

Failure to gain the expected US recognition would probably accelerate plotting that could result in Garcia Meza's ouster. Moreover, even with US recognition and large-scale foreign assistance, the need for drastic austerity measures would remain and widespread civilian resistance to them could provide another excuse for a coup. The general's "rented" supporters would quickly desert him if the large bribes ended or if they thought he was losing his grip on power. [redacted]

Whether or not Garcia Meza is replaced, a return to democracy will not occur in the near future. Even moderate officers feel a transition period of one to five years is needed to correct the flaws they see in the current political system. They would probably try, however, to halt human rights abuses and establish a timetable for the restoration of civilian rule. Hard-liners, on the other hand, would likely pay little more than lipservice to such concepts. [redacted]